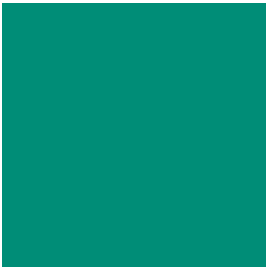




2003 Economic Benefits Studies Summary



Introduction

Providing employment opportunities to approximately 48,000 people, the Javits-Wagner-O'Day (JWOD) Program is the largest single source of employment for people who are blind or have other severe disabilities in the United States. More than 600 nonprofit organizations employ these individuals while delivering a wide array of quality products and services to the Federal Government.

The JWOD Program is a cost-effective way to help people who are blind or have other severe disabilities to achieve greater independence, as it enables many individuals to reduce dependence on Government support and join the ranks of taxpayers. This is exemplified by the following summary, which presents the results of studies that evaluate how employment in JWOD commissary services, food service programs and Public Building Service (PBS) custodial projects affects peoples' use of Government entitlements. These studies were conducted by Mathew Greenwald & Associates, Inc. on behalf of NISH.



Custodial

Employing individuals with disabilities in JWOD PBS custodial programs saves Federal and state Governments an estimated \$15.7 million through the reduction of entitlements paid to these individuals. In addition, JWOD employment increases the payments these employees make to the Government through income and payroll taxes, totaling \$15.8 million. Thus, by employing 5,176 people with disabilities, these JWOD custodial contracts have a net impact on Government balance sheets of \$31.5 million. This is an annual savings of \$6,084 per employee.

The reduction (savings to the Government) in Government expenditures for entitlements found for custodial employees is due to the discontinuation of entitlements for some employees and a reduction in the amount of benefits received by others.

Nearly all people who received welfare just before joining the JWOD Program reduced or discontinued this benefit after JWOD employment (97 percent). A similarly high proportion either reduced or discontinued their food stamp benefit subsequent to JWOD employment (92 percent). At least three out of four people reduced or discontinued their Supplemental Security Insurance (SSI) (77 percent) or public housing benefit (76 percent) through their JWOD employment, and two out of three reduced or eliminated the amount of their Social Security Disability Insurance (SSDI) benefit (69 percent). Reliance on Medicaid and Medicare also dropped significantly.

Food Service

Employing individuals with disabilities in JWOD food service programs saves Federal and state Governments an estimated \$3.7 million through the reduction of entitlements paid to these individuals. These people also increase their payments to the Government through income and payroll taxes, which amount to an estimated \$4.9 million. In all, by employing 2,809 individuals with disabilities, these JWOD food service contracts have a net impact on Government balance sheets of \$8.6 million. This is an annual savings of \$3,053 per employee.

Similar to what was found for commissary employees, the reduction in Government expenditures for entitlements found for food service employees is due to the discontinuation of entitlements

for some people and a reduction in the amount of benefits received by others.

Nearly all people who received food stamps just before working for a JWOD food service program reduced or discontinued this benefit after working for JWOD (96 percent). A similar proportion either reduced or discontinued their welfare benefit (92 percent). About three out of four employees reduced or discontinued their SSI benefit through their JWOD employment (78 percent). Further, more than half of the people who received SSDI either receive less or have stopped receiving this benefit since working for a JWOD food service program (57 percent). Reliance on public housing, Medicaid and Medicare also dropped significantly.

Commissary

Employing individuals with disabilities in JWOD commissary programs saves Federal and state Governments an estimated \$2.75 million through the reduction of entitlements paid to these individuals. These employees also increase their payments to the Government through income and payroll taxes, which amount to an estimated \$3.9 million. In all, by employing 2,134 people with disabilities, these JWOD commissary contracts have a net impact on Government balance sheets of \$6.65 million. This is an annual savings of \$3,138 per employee.

The reduction in Government expenditures for entitlements found is due to the discontinuation of entitlements for some employees and a reduction in the amount of benefits received by others.

Among those who received welfare prior to their employment in the JWOD Program, more than nine out of ten (92 percent) eliminated their dependence on this entitlement entirely. A similarly large proportion of food stamp beneficiaries (88 percent) no longer participate in that entitlement program. Three-quarters of SSI recipients report discontinued or reduced benefits (74 percent). While 17 percent show a reduction in this benefit, the majority (57 percent) eliminated the use totally. SSDI was likewise reduced or discontinued by a majority of the employees. Reliance on public housing, Medicaid and Medicare also dropped significantly.

Study Subject	Number of Employees	Savings	Contributions	Total	Savings per Employee
Custodial	5,176	\$15.7 million	\$15.8 million	\$31.5 million	\$6,084
Food service	2,809	\$3.7 million	\$4.9 million	\$8.6 million	\$3,053
Commissary	2,134	\$2.75 million	\$3.9 million	\$6.65 million	\$3,138